Amendments to the Claims:

This listing of the claims will replace all prior versions, and listings of claims in the application:

1. (Currently amended) A computerized system for creating synthetic credit products comprising:

(a) at least one processor;

(b) at least one database coupled to the processor;

(a c) a Capacity Creation module, coupled to the at least one processor and the at least one database, for determining the capacity of a defined financial market that includes at least one entity to absorb defined synthetic credit products at a minimum level of default risk, wherein the synthetic credit products include credit default swaps for structuring and pricing of credit-rating specific credit indexes; and

(b d) a Product Creation module, coupled to the at least one processor and the at least one database, for creating the synthetic credit products including a Product Creation engine for creating the synthetic credit products matched to debt obligations of qualified reference entities based upon internal templates in accordance with the determined portfolio capacity of determined by the Capacity Creation module.

2. (Currently amended) A system according to Claim 1, further comprising an online trading system for receiving the created and priced products from the Product Creation module and a Pricing Creation module modules and offering said products for transactions to customers connected to the online trading system.

3. (Original) A system according to Claim 1, wherein said Pricing Creation module uses internal algorithms for a number of priced/demand curves, including market-driven interpolated asset swap curves, market-driven interpolated credit swap curves, equity-driven credit curve benchmarking, industry-specific credit curve benchmarking, dynamic credit-sensitive interest swap curves, and minimum RAROC requirements.

4. (Original) A system according to Claim 1, for the creation, distribution, execution and management and control of credit risk transfer products over the Internet and over various intranet systems.

5. (Original) A system according to Claim 1, for determining the creditworthiness and capital adequacy of entities that sell credit risk transfer products based on simulation of the expected loss of individual credit risk transfer products.

6. (Original) A system according to Claim 1, for determining the creditworthiness and capital adequacy of entities that sell credit risk transfer products based on simulation of the expected loss of a portfolio of credit risk transfer products.

7. (Original) A system according to Claim 1, for determining the creditworthiness and capital adequacy of entities that sell credit risk transfer products based on a static expected loss cash flow model for a portfolio of credit risk transfer products.

8. (Original) A system according to Claim 1, for determining the expected loss on a senior tranche of the capital of an entity that sells credit risk transfer products based on a dynamic cash flow simulation model for a portfolio of credit risk transfer products.

9. (Original) A system according to Claim 1, for using reference entity filtering logic and database matching logic to create a portfolio of investment grade credit risk transfer products.

10. (Original) A system according to Claim 1, for calculating capacity and updating availability by reference entity following transactions through feedback application of a portfolio constraints adjustment.

11. (Original) A system according to Claim 1, for using credit default swaps to credit enhance commercial bank letters of credit.

12. (Original) A system according to Claim 1, for using credit default swaps to credit enhance financial guaranty insurance policies.

13. (Original) A system according to Claim 1, used to transform credit default swaps into financial guaranty policies and to transform financial guaranty policies into credit default swaps.

14. (Original) A system according to Claim 1, for using credit default swaps in the structuring and pricing of credit-linked notes.

15. (Original) A system according to Claim 1, for using credit default swaps in the structuring and pricing of principal protected notes.

16. (Original) A system according to Claim 1, for using credit default swaps in the structuring and pricing of convertible bonds.

17. (Original) A system according to Claim 1, for using credit default swaps in the structuring and pricing of equity options.

18. (Original) A system according to Claim 1, for using credit default swaps in the structuring and pricing of collateralized debt obligations.

19. (Original) A system according to Claim 1, for using credit default swaps in the structuring and pricing of industry-specific credit indexes.

20. (Cancelled).

21. (Original) A system according to Claim 1, for using credit default swaps in the structuring and pricing of geography-specific credit indexes.

22. (Original) A system according to Claim 1, employing a dynamic interest rate swap curve used in the pricing of credit default swaps and other credit risk transfer products.

23. (Original) A system according to Claim 1, employing a dynamic asset swap term structure to credit swap term structure conversion process used in the pricing of credit default swaps and other credit risk transfer products.

24. (Original) A system according to Claim 1, used for the online creation and distribution of credit default swaps and other credit risk transfer products.

25. (Original) A system according to Claim 1, used for the online negotiation of contracts documenting credit default swaps and other credit risk transfer products.

26. (Currently amended) A method for creating synthetic credit products performed on a computerized system comprising:

(a) determining the capacity of a defined financial market that includes at least one entity to absorb defined synthetic credit products at a minimum level of default risk, wherein the synthetic credit products include credit default swaps for structuring and pricing of credit-rating specific credit indexes; and;

(b) creating the synthetic credit products, including creating the synthetic credit products matched to debt obligations of qualified reference entities based upon internal templates in accordance with the determined portfolio capacity determined in step (a);

wherein steps (a) and (b) are performed using at least one processor

coupled to at least one database.